



**DEPARTMENT OF PUBLIC WORKS
WATER & SEWERAGE DIVISION
INTEROFFICE MEMORANDUM**

TO: Board of County Commissioners
VIA: Terry L. Shannon, County Administrator
VIA: Tim Hayden, Director – Finance & Budget *TH 8/30*
VIA: P. Rai Sharma, Director – Public Works *PR*
FROM: B. Julie Paluda, Deputy Director Enterprise Funds *BSP*
DATE: June 24, 2019
SUBJECT: Close-out Chesapeake Beach Wastewater Treatment Plant ENR Upgrade Project

Background:

The Board of County Commissioners (BOCC) partnered with the Towns of Chesapeake Beach (CB) and North Beach, along with Anne Arundel County to replace equipment and upgrade the Chesapeake Beach Wastewater Treatment Plant (CBWWTP), which had reached the end of its useful life. Concurrently with this upgrade, the plant was modified for Enhanced Nutrient Removal (ENR) technology.

The total estimated project cost was \$17,200,608, and the MDE initially awarded the project a Bay Restoration Fund ENR grant totaling \$7,079,429. The Notice to Proceed was issued on June 10, 2013, and the project was completed in November 2018. The Town of CB billed each partner monthly for their proportionate share of the construction and engineering costs, net of the state grant.

Discussion:

When the construction bid was awarded, it was lower than the total estimated construction amount; therefore, each partner MDE loan funds were downsized accordingly. BOCC's MDE loan funding was reduced from \$2,307,000 to \$1,892,000, and BOCC received a \$1.7M grant. The actual costs for BOCC totaled \$2,357,610.88, which exceeded the original project estimate by \$50,610.88 or 2%.

| | <u>After BA002</u> | <u>Prior BA002</u> | <u>Change</u> |
|----------------------------------|------------------------------|---------------------------|---------------------------|
| <u>Revenues:</u> | | | |
| MDE Loan | \$1,892,000 | \$2,307,000 | (\$415,000) |
| Capital Connections | \$465,610.88 | \$0 | \$465,610.88 |
| <u>Total Revenues</u> | <u>\$2,357,610.88</u> | <u>\$2,307,000</u> | <u>\$50,610.88</u> |
| <u>Expenditures:</u> | | | |
| A/E | \$470,439.47 | \$448,812.84 | \$21,626.63 |
| Construction | \$1,887,171.41 | \$1,858,187.16 | \$28,984.25 |
| <u>Total Expenditures</u> | <u>\$2,357,610.88</u> | <u>\$2,307,000</u> | <u>\$50,610.88</u> |

Fiscal Impact:

In order to close out the project funding and pay the final ENR project invoice, staff requests to: (i) reclass \$415,000 of revenue budget from MDE loan to capital connections; and (2) increase the project budget by \$50,610.88. The Department of Finance and Budget confirmed there are \$465,810.88 available in sewer capital connections.

Conclusion/Recommendation:

Staff recommends BOCC: (1) close the record for public comment; and (2) adopt the attached resolution in order to reclass \$415,000 of revenue budget from MDE loan to capital connections; and increase the total project budget by \$50,610.88.

T. Shannon
Coordination: Department of Finance & Budget

[Signature]
Coordination: County Attorney

A RESOLUTION PERTAINING TO APPROVAL OF BUDGET ADJUSTMENT #BA002

WHEREAS, Title 5 of the Code of Public Local Laws of Calvert County, Maryland, being Title 5 of *Article 5* of the Code of Public Laws of Maryland (hereinafter, the “Code”), authorizes and empowers the Board of County Commissioners of Calvert County, Maryland (hereinafter, the “Board of County Commissioners”) to adopt the Annual Budget and Appropriation Act each year;

WHEREAS, the Board of County Commissioners has the authority pursuant to Section 5-103 of the Code to enact certain budgetary adjustments by Resolution;

WHEREAS, the Board of County Commissioners has been advised by the Department of Public Works, Water & Sewerage Division that there is an essential need to encumber funds for the design and construction of the Chesapeake Beach Wastewater Treatment Plant ENR Upgrade capital project within fiscal year 2020;

WHEREAS, the Board of County Commissioners has been advised by the Department of Public Works and Department of Finance and Budget that funds totaling \$465,610.88 are available in the Water and Sewerage Enterprise Fund from sewer capital connections;

WHEREAS, the Board of County Commissioners has been advised by the Department of Public Works and Department of Finance and Budget that it desires to reallocate the appropriations to fund the Chesapeake Beach Wastewater Plant ENR capital project;

WHEREAS, the Board of County Commissioners desires to reallocate the appropriations of the capital budget totaling \$465,610.88 to ensure there are funds available to complete the required engineering and construction of the aforementioned project;

WHEREAS, a public hearing regarding this Budget Adjustment #BA002 was duly advertised in two newspapers of general circulation in Calvert County for two consecutive weeks before the public hearing, as required by Section 5-103(c) of the Code, and held on August 6, 2019, at which time the Board of County Commissioners received public comment; and

WHEREAS, upon due consideration of the comments of the public and staff and in furtherance of the public health, safety and welfare, the Board of County Commissioners finds that it is in the best interest of the public health, safety and welfare of the citizens of Calvert County, Maryland to adopt Budget Adjustment #BA002 as set forth in Exhibit “A,” attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED, that the Board of County Commissioners of Calvert County, Maryland, hereby approves and enacts the appropriations and expenditures set forth in Budget Adjustment #BA002 in the amount of \$465,610.88, a copy of which is attached hereto as Exhibit “A” and made a part hereof.

BE IT FURTHER RESOLVED AND ORDAINED, by the Board of County Commissioners of Calvert County, Maryland that the Calvert County Capital Improvement Program for FY2020, as amended hereby, shall remain in full force and effect.

BE IT FURTHER RESOLVED AND ORDAINED, by the Board of County Commissioners of Calvert County, Maryland, that, in the event any portion of this Resolution is found to be unconstitutional, illegal, null or void, by a court of competent jurisdiction, it is the intent of the Board of County Commissioners to sever only the invalid portion or provision, and that the remainder of the Resolution shall be enforceable and valid, unless deletion of the invalid portion would defeat the clear purpose of the Resolution, or unless deletion of the valid portion would produce a result inconsistent with the purpose and intent of the Board of County Commissioners in enacting this Resolution.

BE IT FURTHER RESOLVED AND ORDAINED, by the Board of County Commissioners of Calvert County, Maryland that the foregoing recitals are adopted as if fully rewritten herein.

BE IT FURTHER RESOLVED AND ORDAINED, by the Board of County Commissioners of Calvert County, Maryland that this Resolution shall be effective upon recordation and publication of a fair summary.

DONE, this 6th day of August 2019, by the Board of County Commissioners of Calvert County, Maryland, sitting in regular session.

Aye: _____

Nay: _____

Absent/Abstain: _____

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
OF CALVERT COUNTY, MARYLAND**

Karen Snyder Phelps, Clerk

Thomas E. Hutchins, President

Kelly D. McConkey, Vice President

Approved for form and legal sufficiency
on _____ by:

Earl F. Hance

John B. Norris, County Attorney

Mike Hart

Steven R. Weems

Approved for form
and legal sufficiency

for Public Hearing
Office of County Attorney 7/2/19

EXHIBIT A

COMMISSIONERS OF CALVERT COUNTY, MARYLAND

FY2020

Fiscal Year Ending June 30, 2020

BUDGET ADJUSTMENT #: BA002

POSTED BY:

APPROVED BY: _____

DATE: 08/06/19

[illegible]

** 1. Reclassing revenue budget from MDE Loan to capital connections. Loan sizing was reduced because bid award was lower than estimated cost of project.**

** 2. Increasing revenue and expenditure budget needed to pay final construction invoice.**

[illegible]